



DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-149]

Gas Powered Pressure Washers from the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination, Preliminary Affirmative Critical Circumstances Determination, in Part, and Alignment of Final Determination with Final Antidumping Duty Determination

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that countervailable subsidies are being provided to producers and exporters of gas-powered pressure washers (pressure washers) from the People's Republic of China (China) during the period of investigation, January 1, 2021, through December 31, 2021. Interested parties are invited to comment on this preliminary determination.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Theodore Pearson, AD/CVD Operations, Office I, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-2631.

SUPPLEMENTARY INFORMATION:

Background

This preliminary determination is made in accordance with section 703(b) of the Tariff Act of 1930, as amended (the Act). On January 25, 2023, Commerce published in the *Federal*

Register the notice of initiation of this investigation.¹ On March 14, 2023, Commerce postponed the preliminary determination of this investigation until May 30, 2023.²

For a complete description of the events that followed the initiation of this investigation, see the Preliminary Decision Memorandum.³ A list of topics discussed in the Preliminary Decision Memorandum is included as Appendix II to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

Scope of the Investigation

The products covered by this investigation are gas powered pressure washers from China. For a complete description of the scope of this investigation, see Appendix I.

Scope Comments

In accordance with the preamble to Commerce's regulations,⁴ the *Initiation Notice* set aside a period of time for parties to raise issues regarding product coverage (*i.e.*, scope).⁵ We received comments from several parties concerning the scope of the antidumping duty (AD) and countervailing duty (CVD) investigations of pressure washers as it appeared in the *Initiation Notice*.⁶ We are currently evaluating the scope comments filed by the interested parties and intend to issue our preliminary decision regarding the scope of the AD and CVD investigations shortly. We will incorporate the scope decisions from the AD investigations into the scope of

¹ *Gas Powered Pressure Washers from the People's Republic of China: Initiation of Countervailing Duty Investigation*, 88 FR 4812 (January 25, 2023) (*Initiation Notice*).

² See *Gas Powered Pressure Washers from the People's Republic of China: Postponement of Preliminary Determination in the Countervailing Duty Investigation*, 88 FR 15672 (March 14, 2023).

³ See Memorandum, "Decision Memorandum for the Preliminary Determination in the Countervailing Duty Investigation of Gas Powered Pressure Washers from the People's Republic of China," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

⁴ See *Antidumping Duties; Countervailing Duties*, 62 FR 27296, 27323 (May 19, 1997).

⁵ See *Initiation Notice*, 88 FR 4812.

⁶ See Preliminary Decision Memorandum at "IV. Scope Comments."

the final CVD determination for this investigation, after considering any relevant comments submitted in scope case and rebuttal briefs.

Preliminary Affirmative Determination of Critical Circumstances, in Part

In accordance with section 703(e)(1) of the Act, Commerce preliminarily determines that critical circumstances exist with respect to imports of pressure washers from China for Jiangsu Jianghuai Engine Co., Ltd. (JD Power), Chongqing Dajiang Power Equipment Co., Ltd. (CDPE), and companies that were not responsive to Commerce's quantity and value questionnaire,⁷ but do not exist with respect to all other producers or exporters not individually examined. For a full description of the methodology and results of Commerce's analysis, *see* the Preliminary Decision Memorandum.

Methodology

Commerce is conducting this investigation in accordance with section 701 of the Act. For each of the subsidy programs found to be countervailable, Commerce preliminarily determines that there is a subsidy, *i.e.*, a financial contribution by an "authority" that gives rise to a benefit to the recipient, and that the subsidy is specific.⁸

Commerce notes that, in making these findings, it relied on facts available and, because Commerce finds that necessary information was missing from the record and because respondents did not act to the best of their ability to respond to Commerce's requests for information, Commerce drew an adverse inference in selecting from among the facts otherwise available.⁹ For further information, *see* the "Use of Facts Otherwise Available and Adverse Inferences" section in the Preliminary Decision Memorandum.

Alignment

As noted in the Preliminary Decision Memorandum, in accordance with section 705(a)(1)

⁷ *See* Commerce's Letter, "Quantity and Value Questionnaire," dated January 20, 2023.

⁸ *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

⁹ *See* sections 776(a) and (b) of the Act.

of the Act and 19 CFR 351.210(b)(4), Commerce is aligning the final CVD determination in this investigation with the final determination in the companion AD investigation of pressure washers from China based on a request made by the FNA Group, Inc. (the petitioner).¹⁰ Consequently, the final CVD determination will be issued on the same date as the final AD determination, which is currently scheduled to be issued no later than October 11, 2023, unless postponed.

All-Others Rate

Sections 703(d) and 705(c)(5)(A) of the Act provide that in the preliminary determination, Commerce shall determine an estimated all-others rate for companies not individually examined. This rate shall be an amount equal to the weighted average of the estimated subsidy rates established for those companies individually examined, excluding any zero and *de minimis* rates and any rates based entirely under section 776 of the Act.

In this investigation, as discussed in the Preliminary Decision Memorandum, Commerce calculated an individual estimated countervailable subsidy rate for JD Power that is not zero, *de minimis*, or based entirely under section 776 of the Act. As further discussed in the Preliminary Decision Memorandum, the individual estimated countervailable subsidy rate for CDPE is based entirely upon section 776 of the Act. Therefore, Commerce is using the individual estimated subsidy rate calculated for JD Power as the all-others rate.

Preliminary Determination

Commerce preliminarily determines that the following estimated countervailable subsidy rates exist:

Company	Subsidy Rate (percent <i>ad valorem</i>)
Jiangsu Jianghuai Engine Co., Ltd. ¹¹	11.19
Chongqing Dajiang Power Equipment Co., Ltd.	206.57
China GTL Tools Group, Ltd.	206.57

¹⁰ See Petitioner's Letter, "Request to Align Countervailing Duty Investigation Final Determination with Antidumping Duty Investigation Final Determination," dated April 24, 2023.

¹¹ As discussed in the Preliminary Decision Memorandum, Commerce preliminarily finds the following company to be cross-owned with JD Power: Jiangsu Nonghua Intelligent Agriculture Technology Co., Ltd.

Loncin Motor Co., Ltd.	206.57
Maxworld Home Co., Ltd.	206.57
Ningbo Jugang Machinery Manufacturing Co., Ltd.	206.57
Powerful Machinery & Electronics Technology Developing Co., Ltd.	206.57
Pinghu Biyi Cleaning Equipment Co., Ltd.	206.57
Senci Electric Machinery Co., Ltd.	206.57
Taizhou Bison Machinery Co., Ltd.	206.57
Taizhou Longfa Machinery Co., Ltd.	206.57
Taizhou Newland Machinery Co., Ltd.	206.57
Zhejiang Anlu Cleaning Machinery Co., Ltd.	206.57
Zhejiang Constant Power Machinery Co., Ltd.	206.57
Zhejiang Lingben Machinery & Electronics Co., Ltd.	206.57
Zhejiang Xinchang Bigyao Power Tool Co., Ltd.	206.57
Zhejiang Zhinanche Cleaning Equipment Co., Ltd.	206.57
All Others	11.19

Suspension of Liquidation

In accordance with section 703(e)(2)(A) of the Act, because we find that critical circumstances exist for JD Power, CDPE, and the non-responsive companies, therefore, for these companies, Commerce will direct U.S. Customs and Border Protection (CBP) to suspend liquidation of entries of subject merchandise as described in the scope of the investigation entered, or withdrawn from warehouse, for consumption on or after the date 90 days prior to the date of publication of this notice in the *Federal Register*. As noted above, we find that critical circumstances do not exist for all other producers or exporters not individually examined. Therefore, for all other producers or exporters not individually examined, Commerce will direct CBP to suspend liquidation of entries of subject merchandise as described in the scope of the investigation entered, or withdrawn from warehouse, for consumption on or after the date of the publication of this notice in the *Federal Register*. Further, pursuant to 19 CFR 351.205(d), Commerce will instruct CBP to require a cash deposit equal to the rates indicated above.

Disclosure

Commerce intends to disclose its calculations and analysis performed in connection with this preliminary determination to interested parties within five days of its public announcement,

or if there is no public announcement, within five days of the date of publication of this notice in the *Federal Register*, in accordance with 19 CFR 351.224(b).

Verification

As provided in section 782(i)(1) of the Act, Commerce intends to verify the information relied upon in making its final determination.

Public Comment

All interested parties will have the opportunity to submit scope case and rebuttal briefs on the preliminary decision regarding the scope of the AD and CVD investigations. The deadlines to submit scope case and rebuttal briefs will be provided in the preliminary scope decision memorandum. For all scope case and rebuttal briefs, parties must file identical documents simultaneously on the records of the ongoing AD and CVD pressure washers investigations. No new factual information or business proprietary information may be included in either scope case or rebuttal briefs.

Case briefs or other written comments on non-scope issues may be submitted to the Assistant Secretary for Enforcement and Compliance. Commerce will notify interested parties of the deadline for the submission of case briefs. Rebuttal briefs, limited to issues raised in case briefs, may be submitted no later than seven days after the deadline date for case briefs.¹²

Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit case briefs or rebuttal briefs in this investigation are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities. Commerce has modified certain of its requirements for serving documents containing business proprietary information until further notice.¹³

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant

¹² See 19 CFR 351.309; *see also* 19 CFR 351.303 (for general filing requirements).

¹³ See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020).

Secretary for Enforcement and Compliance, U.S. Department of Commerce within 30 days after the date of publication of this notice. Requests should contain the party's name, address, and telephone number, the number of participants, and a list of the issues to be discussed. Oral presentations at the hearing will be limited to issues raised in the briefs. If a request for a hearing is made, parties will be notified of the time and date for the hearing.¹⁴

U.S. International Trade Commission Notification

In accordance with section 703(f) of the Act, Commerce will notify the U.S. International Trade Commission (ITC) of its determination. If the final determination is affirmative, the ITC will determine before the later of 120 days after the date of this preliminary determination or 45 days after the final determination whether imports of pressure washers from China are materially injuring, or threaten material injury to, the U.S. industry.

Notification to Interested Parties

This determination is issued and published pursuant to sections 703(f) and 777(i) of the Act, and 19 CFR 351.205(c).

Dated: May 30, 2023.

Lisa W. Wang,
*Assistant Secretary
for Enforcement and Compliance.*

¹⁴ See 19 CFR 351.310(d).

Appendix I

Scope of the Investigation

The merchandise covered by this investigation is cold water gas powered pressure washers (also commonly known as power washers), which are machines that clean surfaces using water pressure that are powered by an internal combustion engine, air-cooled with a power take-off shaft, in combination with a positive displacement pump. This combination of components (*i.e.*, the internal combustion engine, the power take-off shaft, and the positive displacement pump) is defined as the “power unit.” The scope of the investigation covers cold water gas powered pressure washers, whether finished or unfinished, whether assembled or unassembled, and whether or not containing any additional parts or accessories to assist in the function of the “power unit,” including, but not limited to, spray guns, hoses, lances, and nozzles. The scope of the investigation covers cold water gas powered pressure washers, whether or not assembled or packaged with a frame, cart, or trolley, with or without wheels attached.

For purposes of this investigation, an unfinished and/or unassembled cold water gas powered pressure washer consists of, at a minimum, the power unit or components of the power unit, packaged or imported together. Importation of the power unit whether or not accompanied by, or attached to, additional components including, but not limited to a frame, spray guns, hoses, lances, and nozzles constitutes an unfinished cold water gas powered pressure washer for purposes of this scope. The inclusion in a third country of any components other than the power unit does not remove the cold water gas powered pressure washer from the scope. A cold water gas powered pressure washer is within the scope of this investigation regardless of the origin of its engine. Subject merchandise also includes finished and unfinished cold water gas powered pressure washers that are further processed in a third country or in the United States, including, but not limited to, assembly or any other processing that would not otherwise remove the merchandise from the scope of this investigation if performed in the country of manufacture of the in-scope cold water gas powered pressure washers.

The scope excludes hot water gas powered pressure washers, which are pressure washers that include a heating element used to heat the water sprayed from the machine.

Also specifically excluded from the scope of this investigation is merchandise covered by the scope of the antidumping and countervailing duty orders on certain vertical shaft engines between 99cc and up to 225cc, and parts thereof from the People’s Republic of China. *See Certain Vertical Shaft Engines Between 99 cc and Up to 225cc, and Parts Thereof from the People’s Republic of China: Antidumping and Countervailing Duty Orders*, 86 FR 023675 (May 4, 2021).

The cold water gas powered pressure washers subject to this investigation are classified in the Harmonized Tariff Schedule of the United States (HTSUS) at subheadings 8424.30.9000 and 8424.90.9040. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope is dispositive.

Appendix II

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
 - II. Background
 - III. Scope of the Investigation
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 - V. Injury Test
 - VI. Diversification of China's Economy
 - VII. Preliminary Affirmative Determination of Critical Circumstances, in Part
 - VIII. Use of Facts Otherwise Available and Adverse Inferences
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 - X. Interest Rate, Discount Rate, Hot-Rolled Steel, and Electricity Benchmarks
 - XI. Analysis of Programs
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